

Procurement Rules

Summer Food Service Program (SFSP) regulations (7 CFR 225) require sponsoring organizations to follow procurement procedures to ensure that program funds are expended efficiently and economically. Sponsoring organizations are allowed to follow their own procurement procedures as long as those procedures meet the applicable requirements in federal and state law. This document lists the primary federal procurement requirements that are applicable to SFSP sponsoring organizations and provides references for additional information.

All SFSP sponsoring organizations must meet federal procurement requirements.

Federal Procurement Requirements

Simplified Procedures for Purchases under \$100,000

Purchases that are less than the federal threshold of \$100,000 may be obtained using simplified purchasing procedures. These simplified procedures are usually referred to as “small purchase” procedures or “obtaining quotations.” When using small purchase procedures, a sponsoring organization contacts multiple vendors, documents the vendors’ quotations (quoted prices), and then selects the successful vendor. Advertising is not required under small purchase procedures. Sponsors must ensure that all suppliers receive the same information about the goods and/or services required. It is illegal for the sponsor to break a purchase into smaller invoices in order to bring each individual purchase under the \$100,000 threshold. Procurement records must be kept for three years. Please use Attachment 21, *Procurement Log for Informal Procurement Procedures* for this purpose or as a guide to developing your own form.

Catering Contracts: The \$100,000 threshold for using small purchase procedures is applicable to obtaining a catering contract, that is, a contract for the purchase of *meals only* without management of the food service (food service management contracts have a lower threshold – see the following discussion.). Attachment 16B, *Summer Food Service Program Vendor Agreement to Provide Meals/Snacks* may be use in this instance.

Formal Procedures for Purchases over \$100,000 and Food Service Management Contracts

Federal regulations require formal procurement procedures to be followed for program purchases greater than \$100,000. Also, formal procedures must be followed to obtain any food service management contract (not catering contract) that will exceed \$10,000.

The “Invitation for Bids” (IFB) format should be used whenever the sponsoring organization can provide the exact specifications for vendors to bid on. In an IFB, the contract is awarded to the company that will provide the specified products or services at the lowest price.

The “Request for Proposals” (RFP) format should used when the product or service cannot be fully specified. In an RFP, the contract is awarded based on lowest price combined with other evaluation criteria that have been specified by the sponsoring organization. For example, an RFP might be used to obtain a food service management contract so that the sponsoring organization can evaluate the benefits of the non-price portions of each proposal.

Contact the Wisconsin Dept of Public Instruction for a food service management company contract if your sponsoring organization needs to obtain food service management related services in addition to purchasing meals and the expected purchase will exceed \$10,000. Agencies with year-round food service management company contracts participating in the SFSP must have SFSP language in their contract or the contract must be rebid.

References on federal procurement requirements:

7 CFR 225.17 Basic procurement requirements in SFSP regulations

7 CFR 225.15(h) Food service management contract requirements in SFSP regulations

Grants management regulations (7 CFR 3016 and 3019):

- For *public* sponsoring organizations: Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (7 CFR 3016.16)
- For *nonpublic* sponsoring organizations: Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations (7 CFR 3019, sections 40 through 48).